



VIRGINIA
DHCD

**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

CDBG Program Overview

- Funding authorized under the *Housing and Community Development Act of 1974*
- Three National Objectives:
 - Low- and moderate-income benefit
 - Slum and blight elimination
 - Urgent community development needs

CDBG Program Overview

- Serves Non-Entitlement localities
 - Only localities are eligible applicants
- Program Design establishes Virginia's overall Program Goal and Objectives
- Request for Proposal
 - CDBG Competitive Application Guidelines and Open Submission Program Fact Sheets

CDBG Method of Distribution

| | |
|---------------------------|---------------------|
| 2023 CDBG Allocation | \$18,242,546 |
| <u>Prior Year Funding</u> | <u>\$3,746,773</u> |
| Total | \$21,989,319 |

CDBG Community Improvement Grant Programs

| | |
|---|---------------------|
| Competitive | \$ 13,989,319 |
| Planning Grants | \$ 1,000,000 |
| Open Submission Funds | \$ 6,000,000 |
| Public Services | |
| Scattered Site | |
| Community Economic Development | |
| Local Innovation | |
| Construction-Ready Water and Sewer Fund | |
| Regional Water/Wastewater Fund | |
| Urgent Need Open Submission Projects | <u>\$ 1,000,000</u> |

CDBG Program Schedule

| Program | Deadline |
|---|--|
| Open Submission, Planning Grants, and Urgent Need | Open July 1 st - December 30 th , 2023 |
| Competitive Grant | Due June 1 st , 2023 |

Summary of Program Changes

- Public Services as open submission - 3 funding areas (\$250,000 or \$500,000 for regional):
 - Childcare programs
 - Health services programs
 - Food security programs
- Increase in Grant Award amounts for construction/infrastructure projects
- Infrastructure projects will comply with Build America, Buy America (BABA) program – guidance forthcoming
- Increase CDBG grant cap from \$2.5 million to \$3 million
- Increase water and sewer improvement caps:
 - \$30,000 per water connection (previously \$25,000)
 - \$50,000 per sewer connection (previously \$35,000)
- Local Innovation open submission (\$500,000)

Programmatic Changes: Open Submission

Public Services

- Eligible for up to \$250,000 or \$500,000 for regional
- Meant to respond to a timely or pertinent community need
- 3 priority areas:
 - Childcare
 - Health services
 - Food security programs

Programmatic Changes: Open Submission

Local Innovation

\$500,000 per project; up to \$1,000,000 for regional projects

Eligible uses are as follows:

- Individual Development Account programs;
- Program funds to support Economic Restructuring activities;
- Entrepreneurship Development
- Small Scale Manufacturing
- Telecommunications/broadband projects

Open Submission Grant Cycle

- \$1,000,000 is reserved for Planning Grants
- Expected **\$7 million** available in funding
 - Public Services
 - Construction-Ready Water and Sewer
 - Local Innovation Fund
 - Community Economic Development Fund
 - Scattered Site Housing Rehab
 - Urgent Need
 - Regional Water/Wastewater Fund
- July 1st – December 30th, 2023

Community Economic Development

- \$1,000,000-\$1,250,000
- Irrevocable Letter of Credit, bond, or other guaranteed form of security is required in the amount of the grant.
- Categories that CED projects typically fall into:
 - Job Creation and Retention –must be 51% LMI
 - Site Redevelopment-target sites that have been rendered unusable
 - Develop Readiness-completion of improvements which will result in the creation of business and job opportunities

Competitive Grants

- **Housing** – Rehabilitation of housing units to DHCD Housing Rehabilitation Standards or construct new housing units. Targeted project area
- **Comprehensive Community Development**– At least two major activities, such as water, sewer, housing, etc.
- **Public Infrastructure**– Water/Wastewater services, drainage improvements, streets (including streetscapes).
- **Community Service Facility** – Workforce training, health care, daycare associated with economic development, etc.
- **Business District Revitalization** – downtown revitalization/economic development

Housing

- Up to \$1,250,000
- Know your Project Area – make it manageable for 24 month timeline
- Leverage, i.e., Weatherization and Lead Hazard Reduction (LHR) funds
- LHR Program includes incentives for administration and construction
- Existing cost limits for pre-1978 rehabs with no abatement contractors
- If rehabs will eliminate lead hazards through assessments, stabilization, abatement and clearance – grantee may use new cost limits

Housing Rehabilitation Project Mistakes

- Many communities have not clearly documented how many homes actually need assistance (assessed needs compared to housing units to be served)
 - Example-A total of 50 homes listed in project area, 24 to be assisted with the project.
 - Can be remedied by a detailed description of the condition of the homes not being assisted
 - Map referencing
- Unsigned participation agreements by identified property owner
- Outdated participation agreements (more than 1 year old)
- Not submitting LMI income surveys/LMI Census data

Housing Summary Table

| Project Area Totals | | | | | | |
|------------------------|---------------------|------------|---------------------|------------|---------------------|------------|
| | Total # Units | | # Substandard Units | | Total # Persons | |
| | <i>Project Area</i> | <i>LMI</i> | <i>Project Area</i> | <i>LMI</i> | <i>Project Area</i> | <i>LMI</i> |
| Owner Occupied | | | | | | |
| Single-Family | 11 | 8 | 8 | 8 | 32 | 26 |
| Multi-Family | 0 | 0 | 0 | 0 | 0 | 0 |
| Mobile Homes | 0 | 0 | 0 | 0 | 0 | 0 |
| Renter Occupied | | | | | | |
| Single-Family | 8 | 5 | 5 | 5 | 17 | 14 |
| Multi-Family | 0 | 0 | 0 | 0 | 0 | 0 |
| Mobile Homes | 0 | 0 | 0 | 0 | 0 | 0 |
| Vacant | | | | | | |
| Single-Family | 3 | 0 | 0 | 0 | | |
| Multi-Family | 0 | 0 | 0 | 0 | | |
| Mobile Homes | 0 | 0 | 0 | 0 | | |
| Total | 22 | 13 | 13 | 13 | 49 | 40 |

- 1 landlord participation agreement & 2 owner-occupied participation agreements not signed by identified property owner
- 7 participation agreements are dated between late 2016 and early 2017 so continued interest is unclear
- 1 rental being rehabbed is vacant. For how long is unclear so eligibility is uncertain. Proposed tenant identified

Comprehensive Community Development

- Must target at least two activities, with an emphasis on Housing
- Other significant activities must be supported by neighborhood surveys, preliminary engineering report or needs assessments
- Significant activities: water, sewer, streets, ED and CSF
- Limits on the CCD application request:
 - Two activities \$1,300,000 + \$110,000 in Admin
 - Three activities - \$1,600,000 + \$120,000 in Admin
- Water or Sewer improvements cannot exceed:
 - \$30,000 per household budgeted for water
 - \$50,000 per household budget for sewer

Public Infrastructure (Including Housing Production)

- Max Award: \$1,250,000
 - Max CDBG investment per water connection: \$30,000
 - Max CDBG investment per sewer connection: \$50,000
- Project area must be at least 51% LMI
 - Service must be *made available to* all occupied LMI households
- Household income surveys and user agreements
 - Complete prior to submitting application
- Projects will adhere to Build America, Buy America (BABA) requirements

Community Service Facility

- Up to \$1,000,000 grant award (Multi-Purpose Community Centers can be awarded \$1.5 million)
- Must demonstrate that facility development is a clear local community development priority.
- Must provide 51% benefit to LMI or be in a LMA
- Examples: daycare facilities, skill building facilities, health clinics

Calfee School Adaptive Reuse Project (Pulaski)



Business District Revitalization (BDR)

- \$1,000,000
- At least 25% blighted (physical) or 50% vacancy rate (economic)
- Economic Restructuring Plan or Economic Development Strategy
- Applicant must provide analysis of housing and other community needs
- Design and marketing activities up to 5% are eligible
- Applicant must enact and enforce project area ordinances
- Must adopt minimum design and maintenance standards
- Important change-No façade match requirement

Business District Proposal Mistakes

- Demonstration of blight (25% or more physical blight or 50% economic blight) not clearly defined or depicted
 - Can be accomplished by including a detailed map or complete listing of identified blighted properties
- Not addressing other blight or vacancies in the project area
- Not submitting an Economic Restructuring Plan or Economic Development Strategy
- Not submitting signed façade participation agreements
- Not submitting documentation of support from business community for the project

Competitive Proposal Evaluation Criteria

- National Objective Relationship
- Composite Fiscal Stress
- Regional Priorities
- Costs and Commitments
- Project Specific Evaluation
 - Community Priority (scoring based **only** on submitted materials demonstrating community needs)
 - Stakeholder Involvement
 - Readiness (timeliness and costs)
 - Capacity (local and community engagement)
 - Long-term Impact/sustainability

Application Overview: Common Mistakes and Helpful Tips

APPLICATION BASICS

- Two public hearings are required
 - First Public Hearing: solicits input on local community development and housing needs and past use of CDBG funds
 - Second Public Hearing: solicits input on a locality's proposed CIG proposal
- Advertisement and timing
 - Advertised at least seven days prior in the non-legal section of the local paper and by one other method. Hearings must be held at least one week apart
 - Adhere to 2023 CDBG Program Design for public hearing requirements



Public Hearings

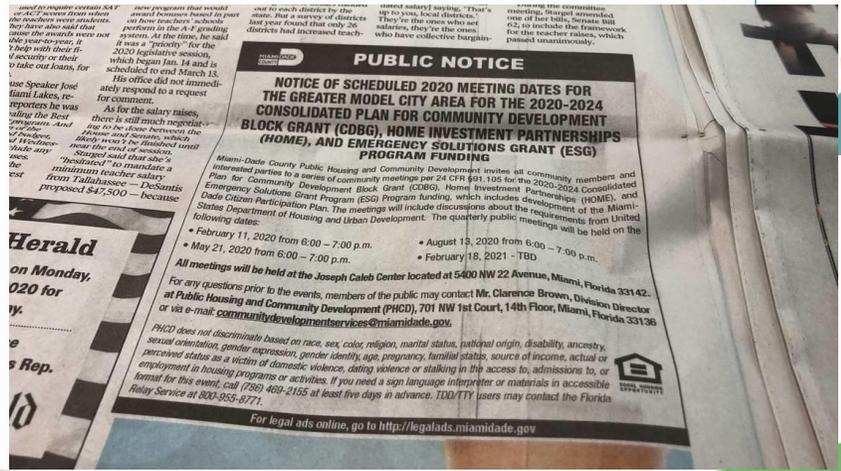
Model Advertisement – First Public Hearing

(Locality) will hold a public hearing on (date) at (time) at (location) to solicit public input on local community development and housing needs in relation to Community Development Block Grant (CDBG) funding for a project in our community.

Information on the amount of funding available, the requirements on benefit to low- and moderate-income persons, eligible activities, and plans to minimize displacement and provide displacement assistance as necessary will be available. Citizens will also be given the opportunity to comment on (locality's) past use of CDBG funds. All interested citizens are urged to attend. For additional information, contact (local contact name and information).

Comments and grievances can be submitted in writing to (locality) at (address) or by phone at (phone number and TDD) until (cut-off date).

If you plan to attend and have any special needs requirements, please call the number listed above.



Don't forget the minutes!



CDBG-DR Electrical Grid Action Plan

Public Hearing

1st Public Hearing
Thursday, Sept 15th
5:30pm-6:30pm

tinyurl.com/ElectricalSept15
Meeting ID: 871 4057 4362
Passcode: 538455

We want YOUR input!
\$67.6M

Join VIHFA at our two public hearings to learn how CDBG-DR is spending \$67.6M to improve the electrical grid in the USVI and making our critical infrastructure more resilient every day.

2nd Public Hearing
Tuesday, Sept 20
3pm-4pm

tinyurl.com/ElectricalSept20
Meeting ID: 873 0507 6505
Passcode: 915980

JOIN US!

Zoom LIVE
[@VIHousingFinance](https://www.facebook.com/VIHousingFinance)



APPLICATION BASICS



- \$3 million cap on open CDBG projects
 - Projects **must be closed out** by June 1st to not count against the cap for the 2023 competitive round
- Include assurances, copies of advertisements, and copies of notices in ALL proposals
- Transmittal letter to PDC
- Regional Priorities must be submitted by June 1st, 2023

Common Mistakes

Costs and Commitment

- Documentation of Leverage Funds
 - Locality contribution must be documented by resolution

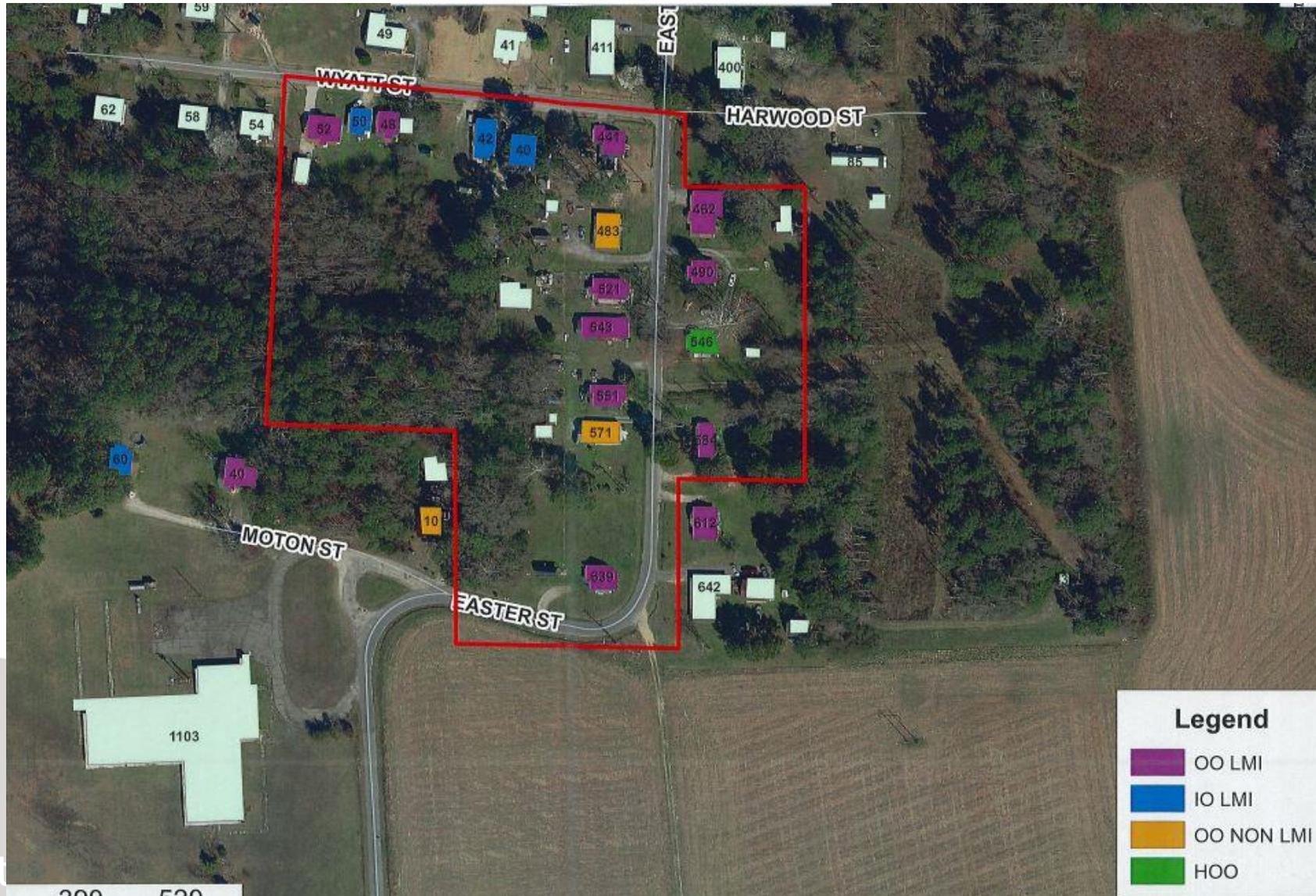
Project Specific Evaluation, Readiness, Capacity, & Impact

- Participation agreements, easement identification/acquisition, environmental review, and procurement are obstacles to project readiness

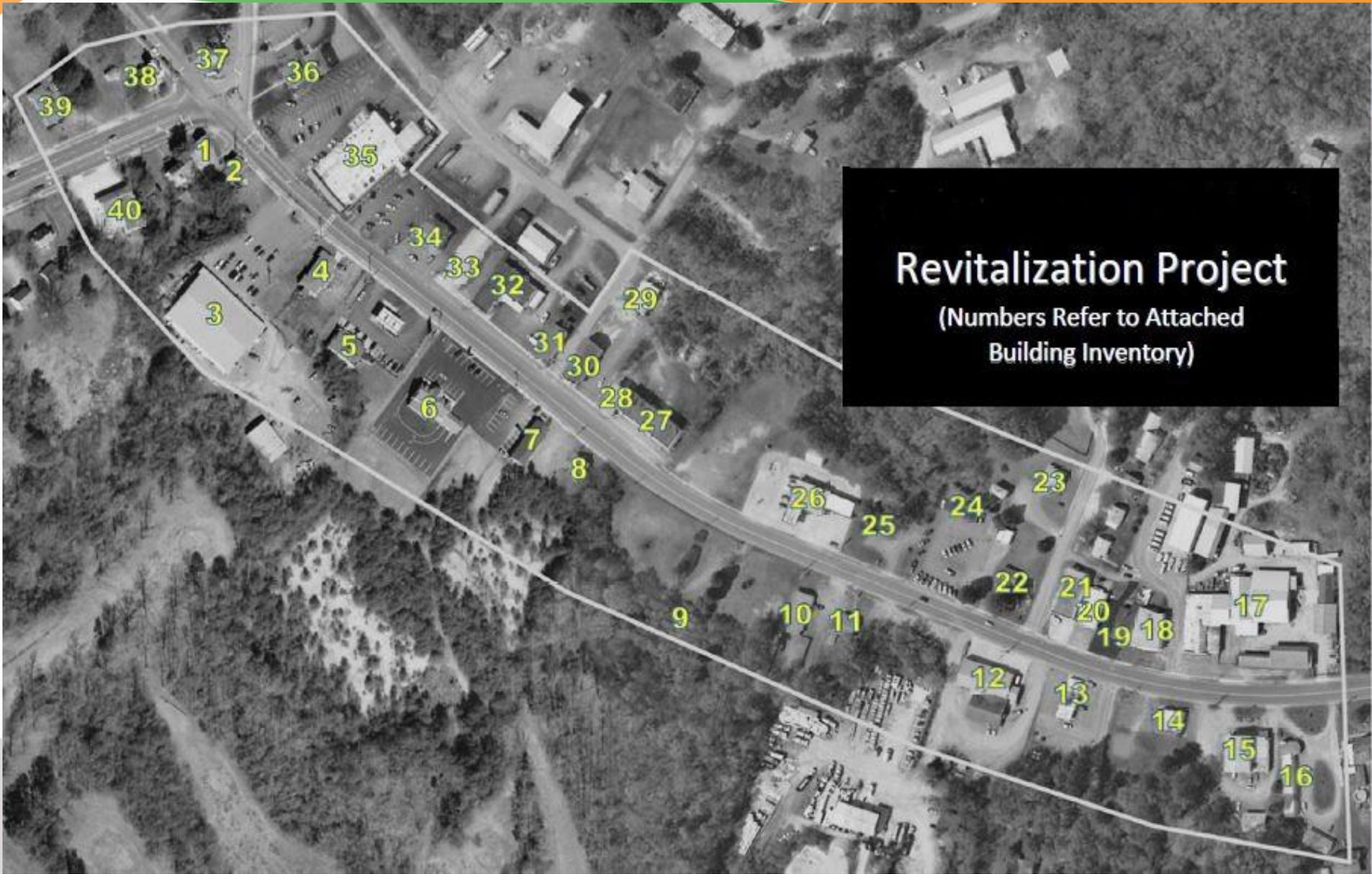
Project Needs & Outcomes

- Mapping Deficiencies-Project areas not clearly depicted
- Project does not have a clear connection to other plans or studies

Common Mistakes



Mapping Example



Physical Inventory

| | | | | | | | | |
|----|-----|------|---------------|-----------------------------|--------------------------|-----|--------|-------|
| 16 | YES | 145 | Main Street | Affordable New & Used Goods | Robert L. Walston III | C-4 | 3,616 | 0 |
| 17 | YES | 149 | Main Street | Amisha's Fashions / Celia V | Amisha's Fashions | C-3 | 2,875 | 0 |
| 18 | | 156 | Main Street | Vacant | Cynthia Tyndle | C-3 | 5,481 | 5,481 |
| 19 | YES | 178 | Main Street | Vacant | James & Diane Poates | C-3 | 1,605 | 1,500 |
| 20 | YES | 180 | Main Street | Vacant | James & Diane Poates | C-3 | 1,605 | 1,605 |
| 21 | YES | 190 | Main Street | James & Diane Poates | James & Diane Poates | C-3 | 1,605 | 1,605 |
| 22 | | 195 | Main Street | Amerigas | Susan Revere | C-3 | 1,605 | 0 |
| 23 | YES | 196A | Main Street | Hair Salon | James & Diane Poates | C-3 | 1,605 | 0 |
| 24 | YES | 196B | Main Street | James & Diane Poates | James & Diane Poates | C-3 | 1,605 | 0 |
| 25 | YES | 206 | Main Street | Napier Construction (back) | Dorothy B. Delano | C-3 | 6,000 | 3,000 |
| 26 | YES | 5801 | Richmond Road | The Saddlery | Gregory Packett | C-4 | 750 | 750 |
| 27 | YES | 5805 | Richmond Road | Vacant | Gregory Packett | C-4 | 1,799 | 1,799 |
| 28 | YES | 5811 | Richmond Road | School of Dance | Gregory Packett | C-4 | 1,799 | 0 |
| 29 | YES | 5839 | Richmond Road | Northern Neck State Bank | Northern Neck State Bank | C-3 | 11,127 | 0 |

- C-1 The structure and all components are new and feature no obvious physical depreciation.
- C-2 The structure features limited physical depreciation, normal wear and tear, and has been adequately maintained.
- C-3 The structure exhibits some deferred maintenance and requires small to moderate repairs and improvements.
- C-4 The structure features obvious deferred maintenance and is in need of significant repairs. The functional utility of the structure is somewhat diminished due to condition.
- C-5 The structure has substantial damage or deferred maintenance with deficiencies that are severe enough to affect the overall functionality of the structure. Substantial improvements are needed.

Cost and Commitments

Costs and Commitment

Leverage

CDBG Request: **\$1,000,000.00**

Funding Source

Committed?

| | | |
|---|-------------------------------|--|
| Federal (ARC) | <u>\$700,000.00</u> | Yes No Have applied |
| Federal (DOE formerly DMME <u>AML</u>) | <u>\$3,111, 435.00</u> | Yes No have applied, no funding commitment letter |
| State (SW W/WW) | <u>\$ 150,000.00</u> | Yes No need GA approval |
| State (CWDF) | <u>\$200,000.00</u> | Yes No will apply |
| Private (Thompson Foundation) | <u>\$200,000.00</u> | Yes No will apply |
| \$4,361,435.00 | | |

Non-CDBG Funds Committed: \$0 (Non-CDBG) / \$5,361,435 (Total) = **0%**

OPC team Ranking compared to other applications (up to 25 points available): 0

Local Funds versus Total Project Cost: \$0 (Local) / \$5,361,435 (Total) = **0%**

OPC team Ranking compared to other applications (up to 25 points available): 0

List the Committed Funding Sources:

| Source | Amount Committed | Documentation |
|--------|------------------|---------------|
| | \$0 | |

Applicant received 15 out of 75 points in Costs and Commitments

HR Tips

- *Documentation is needed to verify LMI persons served!*

Choose one:

Census/HUD Data (only applicable to applicants claiming at least 51% LMI area benefit)
Area Population (Individuals): _____
LMI Pop (Individuals): _____
% LMI: _____

Survey
Date(s) of Survey or Timeframe of Surveys Conducted: _____
Total Households in Project Area: _____
Total Households Surveyed: _____
Persons Represented by Surveys: _____
LMI Persons: _____
% LMI Persons: _____

Required Survey Info was provided

$$\frac{85}{\text{LMI Persons}} \div \frac{157}{\text{Total Persons}} = \frac{54}{\text{LMI Benefit}} \%$$

The applicant received 5 out of 30 available points based on meeting an LMI benefit of 54%

Other Application Tips

- Submit any supporting documentation of **community needs** and how the project will address them
 - Comprehensive plan
 - Community Assessment (you can use a Planning Grant for this!)
 - Community Economic Development Strategy
 - Regional Plans (consult your PDC)
- All roles on grant **management team** should be filled at time of application
- Provide documentation that the project is **construction-ready** by January 2024
 - PER/cost estimates, Environmental Review Record, zoning, construction plans, etc.

Example – Project Timeline

7. COMPREHENSIVE TIMELINE:

| TASK | PERSON SOLELY RESPONSIBLE | PERSON(S) PROVIDING SUPPORT | SCHEDULED COMPLETION DATE | REVISED COMPLETION DATE | ACTUAL COMPLETION DATE |
|---|---------------------------|-----------------------------|---------------------------|-------------------------|------------------------|
| 90-Day Pre-Contract Activities (Assuming Contract is Dated December 20, 2022) | | | | | |
| <i>Environmental Review</i> | | | | | |
| Determine the Category of your project | [REDACTED] | [REDACTED] | - | - | 1/24/22 |
| Archive Search and Mail Dept. of Historic Resources Info. | [REDACTED] | [REDACTED] | - | - | 3/16/22 |
| Mail Resource Letters, including to any required tribes | [REDACTED] | [REDACTED] | - | - | 3/16/22 |
| Sign any Programmatic Agreement or MOU with DHR | NA | NA | 11/29/22 | | |
| Date of Publication for Early Public Notice (only necessary if Engineer determines the project will impact wetlands or floodplains) | NA | NA | NA | NA | NA |
| Date of Public Hearing (only necessary if Engineer determines the project will impact wetlands or floodplains) | NA | NA | NA | NA | NA |
| Mail Coastal Zone documentation (if applicable) | NA | NA | NA | NA | NA |
| Date of Publication of Notice of Explanation and Combined FONSI / NOI-RROF | [REDACTED] | [REDACTED] | 11/1/22 | - | |
| Mail Combined Notice to EPA, DEQ & DHCD | [REDACTED] | [REDACTED] | 11/18/22 | - | |
| Date Comment Period Ends | NA | NA | 11/18/22 | - | |
| Submit Request for Release of Funds and Certification | [REDACTED] | [REDACTED] | 11/19/22 | - | |
| Date State Objection Period Ends (at this point, a request for prior authorization of construction funds can be made) | NA | NA | 12/6/22 | - | |
| <i>Procurement of Rehab Specialist</i> | | | | | |
| Prepare RFP and Scoring Sheet | [REDACTED] | [REDACTED] | - | - | 11/1/21 |
| RFP Ad Published | [REDACTED] | [REDACTED] | - | - | 11/10/21 |
| Proposals Due | [REDACTED] | [REDACTED] | - | - | 12/1/21 |

Application Submission Requirements

- Submit to DHCD by 11:59 pm on June 1st, 2023
- Must submit all application materials in CAMS
- Must provide ALL required attachments

CAMS Submission

- Create a Profile now.
- Locality must submit.
- Do not share your password / login.
- Assign staff to roles for assistance as needed.
- Internet Explorer or Chrome are the recommended browsers.
- Save often. Use Save this Tab before moving to another section
- **CAMS User Guide (includes explanation of CAMS roles):**
<https://dmz1.dhcd.virginia.gov/camsportal/StaticFiles/UserGuides/UserGuideTableofContents.pdf>

www.DHCD.VIRGINIA.GOV

The screenshot shows the website interface for dhcd.virginia.gov. At the top, there is a red banner with text about vaccination: "Need vaccine? Learn how to get your shot at Vaccinate.Virginia.gov or call 1-877-VAX-IN VA. 8am - 8pm. Language translation available, TTY users dial 7-1-1." Below this is a yellow banner with a red exclamation mark icon and text: "Do you or someone you know need help with rent payments? To see if you are eligible, visit dhcd.virginia.gov/eligibility." The main navigation menu includes links for ABOUT, HOUSING, BUSINESSES, COMMUNITIES, CODES, and RESOURCES. The "Access CAMS" link is highlighted in yellow and enclosed in a red rectangular box. A large blue arrow points from the right towards this highlighted link. The Virginia DHCD logo is visible in the center of the navigation bar.

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